AMENDED IN SENATE JULY 2, 2001 AMENDED IN SENATE JUNE 14, 2001

CALIFORNIA LEGISLATURE—2001-02 REGULAR SESSION

ASSEMBLY BILL

No. 1705

Introduced by Committee on Transportation (Dutra (Chair), Rod Pacheco (Vice Chair), Firebaugh, Florez, Hollingsworth, La Suer, Leach, Liu, Longville, Mountjoy, Nakano, Oropeza, Simitian, Strom-Martin, and Vargas)

March 7, 2001

An act to amend Section 14556.40 14556.26 of the Government Code, and to amend Section 182.6, 182.7, and 182.8 of the Streets and Highways Code, relating to transportation, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

- AB 1705, as amended, Committee on Transportation. Transportation: Traffic Congestion Relief Plan: funding exchange program.
- (1) Existing law requires that a regional or local agency receiving an allocation from the Traffic Congestion Relief Fund certify that it will sustain its level of expenditures for transportation purposes at a level that is consistent with the average of its annual expenditures during the 1997–98, 1998–99, and 1999–2000 fiscal years, including funds reserved for transportation purposes.

This bill would instead require for a transportation entity that imposes a retail transactions and use tax for transportation purposes in accordance with certain provisions of law, and receives an allocation AB 1705 — 2 —

from the fund, that the governing board of the entity certify by resolution that the transportation entity will not use for other than transportation capital purposes any capital funds that were programmed, planned, or approved for transportation capital purposes on or before a specified date-establishes the Traffic Congestion Relief Fund (hereafter the TCRF) in the State Treasury and continuously appropriates the money in the TCRF, which is derived from the General Fund based on an estimate of certain sales taxes on motor vehicle fuel, to the Department of Transportation for allocation, as directed by the California Transportation Commission, to the department and certain regional and local transportation entities for specified transportation projects, and for allocation to various other purposes. Existing law provides funding eligibility under these provisions of \$725,000,000 for an extension of BART from Fremont to San Jose and \$35,000,000 for implementation of commuter rail from Fremont to San Jose, with the Santa Clara Valley Transportation Authority as the lead applicant for these projects.

This bill would delete the commuter rail project and augment the funding eligibility for the BART project to \$760,000,000. By modifying the projects eligible for funding from a continuously appropriated fund, the bill would make an appropriation.

(2) Existing law authorizes the California Transportation Commission to offer to exchange state funds from the Traffic Congestion Relief Fund for federal regional surface transportation program and congestion mitigation and air quality program apportionments received as local assistance by regional transportation planning agencies. The Department of Transportation is required to repay to the fund all funds received as federal reimbursements for funds exchanged as they are received from the Federal Highway Administration.

This bill instead would require the department to repay from the State Highway Account in the State Transportation Fund to the Traffic Congestion Relief Fund all funds received as federal reimbursements, as they are received, for funds exchanged under the exchange program, except that the repayments are not required to be made more frequently than on a quarterly basis.

(3) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: $\frac{1}{3}$ yes. State-mandated local program: no.

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The people of the State of California do enact as follows:

SECTION 1. Section 14556.40 of the Government Code is SECTION 1. Section 14556.26 of the Government Code is amended to read:

- 14556.26. A (a) Except as provided in subdivision (b), a regional or local agency receiving an allocation from this program shall certify, by resolution of its governing board, before final execution of the cooperative agreement, that it will sustain its level of expenditures for transportation purposes at a level that is consistent with the average of its annual expenditures during the 1997–98, 1998–99, and 1999–2000 fiscal years, including funds reserved for transportation purposes, during the fiscal years that the allocation provided under this chapter is available for use. The certification is subject to audit by the state.
- (b) A transportation entity that imposes a retail transactions and use tax in accordance with an ordinance adopted pursuant to Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code for transportation purposes, and receives an allocation under this program, shall certify, by resolution of its governing board, before final execution of the cooperative agreement, that during the fiscal years that the allocation provided under this chapter is available for use, the transportation entity will not use for other than transportation capital purposes any capital funds that were programmed, planned, or approved for transportation capital purposes on or before the effective date of the cooperative agreement. The certification is subject to audit by the state.

amended to read:

- 14556.40. (a) The following projects are eligible for grants from the fund for the purposes and amounts specified:
- (1) BART to San Jose; extend BART from Fremont to Downtown San Jose in Santa Clara and Alameda Counties. Seven hundred sixty million dollars (\$760,000,000). The lead applicant is the Santa Clara Valley Transportation Authority.
- (3) Route 101; widen freeway from four to eight lanes south of San Jose, Bernal Road to Burnett Avenue in Santa Clara County. Twenty-five million dollars (\$25,000,000). The lead applicant is the department or the Santa Clara Valley Transportation Authority.

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 (4) Route 680; add northbound HOV lane over Sunol Grade, Milpitas to Route 84 in Santa Clara and Alameda Counties. Sixty million dollars (\$60,000,000). The lead applicant is the department or the Alameda County Congestion Management Agency.

- (5) Route 101; add northbound lane to freeway through San Jose, Route 87 to Trimble Road in Santa Clara County. Five million dollars (\$5,000,000). The lead applicant is the department or the Santa Clara Valley Transportation Authority.
- (6) Route 262; major investment study for cross connector freeway, Route 680 to Route 880 near Warm Springs in Santa Clara County. One million dollars (\$1,000,000). The lead applicant is the department or the Santa Clara Valley Transportation Authority.
- (7) CalTrain; expand service to Gilroy; improve parking, stations, and platforms along UPRR line in Santa Clara County. Fifty-five million dollars (\$55,000,000). The lead applicant is Santa Clara Valley Transportation Authority.
- (8) Route 880; reconstruct Coleman Avenue Interchange near San Jose Airport in Santa Clara County. Five million dollars (\$5,000,000). The lead applicant is the department or the Santa Clara Valley Transportation Authority.
- (9) Capitol Corridor; improve intercity rail line between Oakland and San Jose, and at Jack London Square and Emeryville stations in Alameda and Santa Clara Counties. Twenty-five million dollars (\$25,000,000). The lead applicant is the department or the Capitol Corridor Joint Powers Authority.
- (10) Regional Express Bus; acquire low-emission buses for new express service on HOV lanes regionwide. In nine counties. Forty million dollars (\$40,000,000). The lead applicant is the Metropolitan Transportation Commission.
- (11) San Francisco Bay Southern Crossing; complete feasibility and financial studies for new San Francisco Bay erossing (new bridge, HOV/transit bridge, terminal connection, or second BART tube) in Alameda and San Francisco or San Mateo Counties. Five million dollars (\$5,000,000). The lead applicant is the department or the Metropolitan Transportation Commission.
- (12) Bay Area Transit Connectivity; complete studies of, and fund related improvements for, the I-580 Livermore Corridor; the Hercules Rail Station and related improvements, West Contra

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Costa County and Route 4 Corridors in Alameda and Contra Costa 2 Counties. Seventeen million dollars (\$17,000,000). Of the amount specified, seven million dollars (\$7,000,000) shall be made 3 available for the Route 4 Corridor study and improvements, seven 4 million dollars (\$7,000,000) shall be made available for the I-580 5 Corridor study and improvements, and three million dollars 6 (\$3,000,000) shall be made available for the Hercules Rail Station 8 study and improvements. The lead applicant for the Hercules Rail 9 Station and related improvements in west Contra Costa County is 10 the Contra Costa County Transportation Authority. The lead 11 applicants, for the I-580 Livermore Study and improvements are 12 the Alameda County Congestion Management Authority and the 13 San Francisco Bay Area Rapid Transit District. The lead 14 applicants for the Route 4 Corridor study and improvements are the Contra Costa County Transportation Authority and the San 15 Francisco Bay Area Rapid Transit District. 16 17

(13) CalTrain Peninsula Corridor; acquire rolling stock, add passing tracks, and construct pedestrian access structure at stations between San Francisco and San Jose in San Francisco, San Mateo, and Santa Clara Counties. One hundred twenty-seven million dollars (\$127,000,000). The lead applicant is the Peninsula Joint Powers Board.

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- (14) CalTrain; extension to Salinas in Monterey County. Twenty million dollars (\$20,000,000). The lead applicant is the Transportation Agency for Monterey County.
- (15) Route 24; Caldecott Tunnel; add fourth bore tunnel with additional lanes in Alameda and Contra Costa Counties. Twenty million dollars (\$20,000,000). The lead applicant is the department or the Metropolitan Transportation Commission.
- (16) Route 4; construct one or more phases of improvements to widen freeway to eight lanes from Railroad through Loveridge Road, including two high-occupancy vehicle lanes, and to six or more lanes from east of Loveridge Road through Hillerest. Thirty-nine million dollars (\$39,000,000). The lead applicant is the Contra Costa Transportation Authority.
- (17) Route 101; add reversible HOV lane through San Rafael,
 Sir Francis Drake Boulevard to North San Pedro Road in Marin
 County. Fifteen million dollars (\$15,000,000). The lead applicant is the department or the Marin Congestion Management Agency.

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1 (18) Route 101; widen eight miles of freeway to six lanes,
2 Novato to Petaluma (Novato Narrows) in Marin and Sonoma
3 Counties. Twenty-one million dollars (\$21,000,000). The lead
4 applicant is the department or the Sonoma County Transportation
5 Authority.

- (19) Bay Area Water Transit Authority; establish a regional water transit system beginning with Treasure Island in the City and County of San Francisco. Two million dollars (\$2,000,000). The lead applicant is the Bay Area Water Transit Authority.
- (20) San Francisco Muni Third Street Light Rail; extend Third Street line to Chinatown (tunnel) in the City and County of San Francisco. One hundred forty million dollars (\$140,000,000). The lead applicant is the San Francisco Municipal Transportation Agency.
- (21) San Francisco Muni Ocean Avenue Light Rail; reconstruct Ocean Avenue light rail line to Route 1 near California State University, San Francisco, in the City and County of San Francisco. Seven million dollars (\$7,000,000). The lead applicant is the San Francisco Municipal Transportation Agency.
- (22) Route 101; environmental study for reconstruction of Doyle Drive, from Lombard St./Richardson Avenue to Route 1 Interchange in City and County of San Francisco. Fifteen million dollars (\$15,000,000). The lead applicant is the department or the San Francisco County Transportation Authority.
- (23) CalTrain Peninsula Corridor; complete grade separations at Poplar Avenue in (San Mateo), 25th Avenue or vicinity (San Mateo), and Linden Avenue (South San Francisco) in San Mateo County. Fifteen million dollars (\$15,000,000). The lead applicant is the San Mateo County Transportation Authority.
- (24) Vallejo Baylink Ferry; acquire low-emission ferryboats to expand Baylink Vallejo-San Francisco service in Solano County. Five million dollars (\$5,000,000). The lead applicant is the City of Vallejo.
- 34 (25) I-80/I-680/Route 12 Interchange in Fairfield in Solano 35 County; 12 interchange complex in seven stages (Stage 1). 36 Thirteen million dollars (\$13,000,000). The lead applicant is the 37 department or the Solano Transportation Authority.
- 38 (26) ACE Commuter Rail; add siding on UPRR line in Livermore Valley in Alameda County. One million dollars

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1 (\$1,000,000). The lead applicant is the Alameda County
2 Congestion Management Authority.
3 (27) Vasco Road Safety and Transit Enhancement Project in

- (27) Vasco Road Safety and Transit Enhancement Project in Alameda and Contra Costa Counties. Eleven million dollars (\$11,000,000). The lead applicant is Alameda County Congestion Management Authority.
- (28) Parking Structure at Transit Village at Richmond BART Station in Contra Costa County. Five million dollars (\$5,000,000). The lead applicant is the City of Richmond.
- (29) AC Transit; buy two fuel cell buses and fueling facility for demonstration project in Alameda and Contra Costa Counties. Eight million dollars (\$8,000,000). The lead applicant is the Alameda Contra Costa Transit District.
- (30) Implementation of commuter rail passenger service from Cloverdale south to San Rafael and Larkspur in Marin and Sonoma Counties. Thirty-seven million dollars (\$37,000,000). The lead applicant is the Sonoma-Marin Area Transit Authority.
- (31) Route 580; construct eastbound and westbound HOV lanes from Tassajara Road/Santa Rita Road to Vasco Road in Alameda County. Twenty-five million dollars (\$25,000,000). The lead applicant is the department or the Alameda County Congestion Management Authority.
- (32) North Coast Railroad; repair and upgrade track to meet Class II (freight) standards in Napa, Sonoma, Marin, Mendocino and Humboldt Counties. Sixty million dollars (\$60,000,000). The lead applicant is the North Coast Rail Authority. Except for the amounts specified in paragraph (1) of subdivision (a) and subdivision (b) of Section 14456.50, no part of the specified amount may be made available to the authority until it has made a full accounting to the commission demonstrating that the expenditure of funds provided to the authority in the Budget Act of 2000 (Chapter 52 of the Statutes of 2000) was consistent with the limitations placed on those funds in that Budget Act.
- (33) Bus Transit; acquire low-emission buses for Los Angeles County MTA bus transit service. One hundred fifty million dollars (\$150,000,000). The lead applicant is the Los Angeles County Metropolitan Transportation Authority.
- 38 (34) Blue Line to Los Angeles; new rail line Pasadena to Los Angeles in Los Angeles County. Forty million dollars

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1 (\$40,000,000). The lead applicant is the Pasadena Metro Blue Line Construction Authority.

- (35) Pacific Surfliner; triple track intercity rail line within Los Angeles County and add run-through-tracks through Los Angeles Union Station in Los Angeles County. One hundred million dollars (\$100,000,000). The lead applicant is the department.
- (36) Los Angeles Eastside Transit Extension; build new light rail line in East Los Angeles, from Union Station to Atlantic via 1st Street to Lorena in Los Angeles County. Two hundred thirty-six million dollars (\$236,000,000). The lead applicant is the Los Angeles County Metropolitan Transportation Authority.
- (37) Los Angeles Mid-City Transit Improvements; build Bus Rapid Transit system or Light Rail Transit in Mid-City/Westside/Exposition Corridors in Los Angeles County. Two hundred fifty-six million dollars (\$256,000,000). The lead applicant is the Los Angeles County Metropolitan Transportation Authority.
- (38) Los Angeles-San Fernando Valley Transit Extension; (A) build an East-West Bus Rapid Transit system in the Burbank-Chandler corridor, from North Hollywood to Warner Center. One hundred forty-five million dollars (\$145,000,000). (B) Build a North-South corridor bus transit project that interfaces with the foregoing East-West Burbank-Chandler Corridor project and with the Ventura Boulevard Rapid Bus project. One hundred million dollars (\$100,000,000). The lead applicant for both extension projects is the Los Angeles County Metropolitan Transportation Authority.
- (39) Route 405; add northbound HOV lane over Sepulveda Pass, Route 10 to Route 101 in Los Angeles County. Ninety million dollars (\$90,000,000). The lead applicant is the department or the Los Angeles County Metropolitan Transportation Authority.
- (40) Route 10; add HOV lanes on San Bernardino Freeway over Kellogg Hill, near Pomona, Route 605 to Route 57 in Los Angeles County. Ninety million dollars (\$90,000,000). The lead applicant is the department or the Los Angeles County Metropolitan Transportation Authority.
- 38 (41) Route 5; add HOV lanes on Golden State Freeway through
 39 San Fernando Valley, Route 170 (Hollywood Freeway) to Route
 40 (Antelope Valley Freeway) in Los Angeles County. Fifty

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million dollars (\$50,000,000). The lead applicant is the department or the Los Angeles County Metropolitan Transportation Authority.

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- (42) Route 5; widen Santa Ana Freeway to 10 lanes (two HOV + two mixed flow), Orange County line to Route 710, with related major arterial improvements, in Los Angeles County. One hundred twenty-five million dollars (\$125,000,000). The lead applicant is the department or the Los Angeles County Metropolitan Transportation Authority.
- (43) Route 5; improve Carmenita Road Interchange in Norwalk in Los Angeles County. Seventy-one million dollars (\$71,000,000). The lead applicant is the department or the Los Angeles County Metropolitan Transportation Authority.
- (44) Route 47 (Terminal Island Freeway); construct interchange at Ocean Boulevard Overpass in the City of Long Beach in Los Angeles County. Eighteen million four hundred thousand dollars (\$18,400,000). The lead applicant is the Port of Long Beach.
- (45) Route 710; complete Gateway Corridor study, Los Angeles/Long Beach ports to Route 5 in Los Angeles County. Two million dollars (\$2,000,000). The lead applicant is the department.
- (46) Route 1; reconstruct intersection at Route 107 in Torrance in Los Angeles County. Two million dollars (\$2,000,000). The lead applicant is the department or the Los Angeles County Metropolitan Transportation Authority.
- (47) Route 101; California Street off-ramp in Ventura County. Fifteen million dollars (\$15,000,000). The lead applicant is the department or the City of San Buenaventura.
- (48) Route 101; corridor analysis and PSR to improve corridor from Route 170 (North Hollywood Freeway) to Route 23 in Thousand Oaks (Ventura County) in Los Angeles and Ventura Counties. Three million dollars (\$3,000,000). The lead applicant is the department.
- (49) Hollywood Intermodal Transportation Center; intermodal facility at Highland Avenue and Hawthorn Avenue in the City of Los Angeles. Ten million dollars (\$10,000,000). The lead 36 applicant is the City of Los Angeles.
- 38 (50) Route 71; complete three miles of six-lane freeway through Pomona, from Route 10 to Route 60 in Los Angeles County. Thirty million dollars (\$30,000,000). The lead applicant

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1 is the department or the Los Angeles County Metropolitan 2 Transportation Authority.

- (51) Route 101/405; add auxiliary lane and widen ramp through freeway interchange in Sherman Oaks in Los Angeles County. Twenty-one million dollars (\$21,000,000). The lead applicant is the department or the Los Angeles County Metropolitan Transportation Authority.
- (52) Route 405; add HOV and auxiliary lanes for 1 mile in West Los Angeles, from Waterford Avenue to Route 10 in Los Angeles County. Twenty-five million dollars (\$25,000,000). The lead applicant is the department or the Los Angeles County Metropolitan Transportation Authority.
- (53) Automated Signal Corridors (ATSAC); improve 479 automated signals in Victory/Ventura Corridor, and add 76 new automated signals in Sepulveda Boulevard and Route 118 Corridors in Los Angeles County. Sixteen million dollars (\$16,000,000). The lead applicant is the City of Los Angeles.
- (54) Alameda Corridor East; build grade separations on Burlington Northern-Santa Fe and Union Pacific Railroad lines, downtown Los Angeles to Los Angeles County line in Los Angeles County. One hundred fifty million dollars (\$150,000,000). The lead applicant is the San Gabriel Valley Council of Governments.
- (55) Alameda Corridor East; build grade separations on Burlington Northern-Santa Fe and Union Pacific Railroad lines, with rail-to-rail separation at Colton through San Bernardino County. Ninety-five million dollars (\$95,000,000). The lead applicant is the San Bernardino Associated Governments.
- (56) Metrolink; track and signal improvements on Metrolink; San Bernardino line in San Bernardino County. Fifteen million dollars (\$15,000,000). The lead applicant is the Southern California Regional Rail Authority.
- (57) Route 215; add HOV lanes through downtown San Bernardino, Route 10 to Route 30 in San Bernardino County. Twenty-five million dollars (\$25,000,000). The lead applicant is the department or the San Bernardino County Transportation Commission.
- 38 (58) Route 10; widen freeway to eight lanes through Redlands, 39 Route 30 to Ford Street in San Bernardino County. Ten million

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dollars (\$10,000,000). The lead applicant is the department or the
 San Bernardino County Transportation Commission.

- (59) Route 10; Live Oak Canyon Interchange, including, but not limited to, the 14th Street Bridge over Wilson Creek, in the City of Yucaipa in San Bernardino County. Eleven million dollars (\$11,000,000). The lead applicant is the department or the San Bernardino County Transportation Commission.
- (60) Route 15; southbound truck climbing lane at two locations in San Bernardino County. Ten million dollars (\$10,000,000). The lead applicant is the department or the San Bernardino County Transportation Commission.
- (61) Route 10; reconstruct Apache Trail Interchange east of Banning in Riverside County. Thirty million dollars (\$30,000,000). The lead applicant is the department or the Riverside County Transportation Commission.
- (62) Route 91; add HOV lanes through downtown Riverside, Mary Street to Route 60/215 junction in Riverside County. Forty million dollars (\$40,000,000). The lead applicant is the department or the Riverside County Transportation Commission.
- (63) Route 60; add seven miles of HOV lanes west of Riverside, Route 15 to Valley Way in Riverside County. Twenty-five million dollars (\$25,000,000). The lead applicant is the department or the Riverside County Transportation Commission.
- (64) Route 91; improve the Green River Interchange and add auxiliary lane and connector ramp east of the Green River Interchange to northbound Route 71 in Riverside County. Five million dollars (\$5,000,000). The lead applicant is the department or the Riverside County Transportation Commission.
- (70) Route 22; add HOV lanes on Garden Grove Freeway, Route I-405 to Route 55 in Orange County. Two hundred six million five hundred thousand dollars (\$206,500,000). The lead applicant is the department or the Orange County Transportation Authority.
- (73) Alameda Corridor East; (Orangethorpe Corridor) build
 grade separations on Burlington Northern-Santa Fe line, Los
 Angeles County line through Santa Ana Canyon in Orange
 County. Twenty-eight million dollars (\$28,000,000). The lead

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(74) Pacific Surfliner; double track intercity rail line within San Diego County, add maintenance yard in San Diego County. Forty-seven million dollars (\$47,000,000). The lead applicant is the department or North Coast Transit District.

- (75) San Diego Transit Buses; acquire about 85 low-emission buses for San Diego transit service in San Diego County. Thirty million dollars (\$30,000,000). The lead applicant is the San Diego Metropolitan Transit Development Board.
- (76) Coaster Commuter Rail; acquire one new train set to expand commuter rail in San Diego County. Fourteen million dollars (\$14,000,000). The lead applicant is North County Transit District.
- (77) Route 94; complete environmental studies to add capacity to Route 94 corridor, downtown San Diego to Route 125 in Lemon Grove in San Diego County. Twenty million dollars (\$20,000,000). The lead applicant is the department or San Diego Association of Governments.
- (78) East Village access; improve access to light rail from new in-town East Village development in San Diego County. Fifteen million dollars (\$15,000,000). The lead applicant is the San Diego Metropolitan Transit Development Board.
- (79) North County Light Rail; build new 20-mile light rail line from Oceanside to Escondido in San Diego County. Eighty million dollars (\$80,000,000). The lead applicant is North County Transit District.
- (80) Mid-Coast Light Rail; extend Old Town light rail line 6 miles to Balboa Avenue in San Diego County. Ten million dollars (\$10,000,000). The lead applicant is the San Diego Metropolitan Transit Development Board.
- (81) San Diego Ferry; acquire low emission high-speed ferryboat for new off-coast service between San Diego and Oceanside in San Diego County. Five million dollars (\$5,000,000). The lead applicant is the Port of San Diego.
- (82) Routes 5/805; reconstruct and widen freeway interchange, Genesee Avenue to Del Mar Heights Road in San Diego County. Twenty-five million dollars (\$25,000,000). The lead applicant is the department or the San Diego Association of Governments.
- 38 (83) Route 15; add high tech managed lane on I-15 freeway 39 north of San Diego (Stage 1) from Route 163 to Route 78 in San 40 Diego County. Seventy million dollars (\$70,000,000). The lead

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1 applicant is the department or the San Diego Association of 2 Governments.

- (84) Route 52; build four miles of new six-lane freeway to Santee, Mission Gorge to Route 67 in San Diego County. Forty-five million dollars (\$45,000,000). The lead applicant is the department or the San Diego Association of Governments.
- 7 (85) Route 56; construct approximately five miles of new 8 freeway alignment between I-5 and I-15 from Carmel Valley to 9 Rancho Penasquitos in the City of San Diego in San Diego County. 10 Twenty-five million dollars (\$25,000,000). The lead applicant is 11 the department or the San Diego Association of Governments.
 - (86) Route 905; build new six-lane freeway on Otay Mesa, Route 805 to Mexico Port of Entry in San Diego County. Twenty-five million dollars (\$25,000,000). The lead applicant is the department or the San Diego Association of Governments.
 - (87) Routes 94/125; build two new freeway connector ramps at Route 94/125 in Lemon Grove in San Diego County. Sixty million dollars (\$60,000,000). The lead applicant is the department or the San Diego Association of Governments.
 - (88) Route 5; realign freeway at Virginia Avenue, approaching San Ysidro Port of Entry to Mexico in San Diego County. Ten million dollars (\$10,000,000). The lead applicant is the department or the San Diego Association of Governments.
 - (89) Route 99; improve Shaw Avenue Interchange in northern Fresno in Fresno County. Five million dollars (\$5,000,000). The lead applicant is the department or the Council of Fresno County Governments.
 - (90) Route 99; widen freeway to six lanes, Kingsburg to Selma in Fresno County. Twenty million dollars (\$20,000,000). The lead applicant is the department or the Council of Fresno County Governments.
 - (91) Route 180; build new expressway east of Clovis, Clovis Avenue to Temperance Avenue in Fresno County. Twenty million dollars (\$20,000,000). The lead applicant is the department or the Council of Fresno County Governments.
- 36 (92) San Joaquin Corridor; improve track and signals along
 37 San Joaquin intercity rail line near Hanford in Kings County. Ten
 38 million dollars (\$10,000,000). The lead applicant is the
 39 department.

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 (93) Route 180; complete environmental studies to extend Route 180 westward from Mendota to I-5 in Fresno County. Seven million dollars (\$7,000,000). The lead applicant is the department or the Council of Fresno County Governments.

- (94) Route 43; widen to four-lane expressway from Kings County line to Route 99 in Selma in Fresno County. Five million dollars (\$5,000,000). The lead applicant is the department or the Council of Fresno County Governments.
- (95) Route 41; add auxiliary lane/operational improvements and improve ramps at Friant Road Interchange in Fresno in Fresno County. Ten million dollars (\$10,000,000). The lead applicant is the department or the Council of Fresno County Governments.
- (96) Friant Road; widen to four lanes from Copper Avenue to Road 206 in Fresno County. Ten million dollars (\$10,000,000). The lead applicant is the County of Fresno.
- (97) Operational improvements on Shaw Avenue, Chestnut Avenue, Willow Avenue, and Barstow Avenue near California State University at Fresno in Fresno County. Ten million dollars (\$10,000,000). The lead applicant is the California State University at Fresno. Of the amount authorized under this paragraph, the sum of two million dollars (\$2,000,000) shall be transferred to the California State University at Fresno for the purposes of funding preliminary plans, working drawings, or both of those, and related program management costs for the Fresno Events Center.
- (98) Peach Avenue; widen to four-lane arterial and add pedestrian overcrossings for three schools in Fresno County. Ten million dollars (\$10,000,000). The lead applicant is the City of Fresno.
- (99) San Joaquin Corridor; improve track and signals along San Joaquin intercity rail line in seven counties. Fifteen million dollars (\$15,000,000). The lead applicant is the department.
- (100) San Joaquin Valley Emergency Clean Air Attainment Program; incentives for the reduction of emissions from heavy-duty diesel engines operating within the eight-county San Joaquin Valley region. Twenty-five million dollars (\$25,000,000). The lead applicant is the San Joaquin Valley Unified Air Pollution
- 38 Control District.
 - (101) Santa Cruz Metropolitan Transit District bus fleet; acquisition of low-emission buses. Three million dollars

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1 (\$3,000,000). The lead applicant is the Santa Cruz Metropolitan 2 Transit District.

(102) Route 101 access; State Street smart corridor Advanced
 Traffic Corridor System (ATSC) technology in Santa Barbara
 County. One million three hundred thousand dollars (\$1,300,000).
 The lead applicant is the City of Santa Barbara.

(103) Route 99; improve interchange at Seventh Standard Road, north of Bakersfield in Kern County. Eight million dollars (\$8,000,000). The lead applicant is the department or Kern Council of Governments.

(104) Route 99; build seven miles of new six-lane freeway south of Merced, Buchanan Hollow Road to Healey Road in Merced County. Five million dollars (\$5,000,000). The lead applicant is the department or the Merced County Association of Governments.

(105) Route 99; build two miles of new six-lane freeway, Madera County line to Buchanan Hollow Road in Merced County. Five million dollars (\$5,000,000). The lead applicant is the department or the Merced County Association of Governments.

(106) Campus Parkway; build new arterial in Merced County from Route 99 to Bellevue Road. Twenty-three million dollars (\$23,000,000). The lead applicant is the County of Merced.

(107) Route 205; widen freeway to six lanes, Tracy to I-5 in San Joaquin County. Twenty-five million dollars (\$25,000,000). The lead applicant is the department or the San Joaquin Council of Governments.

(108) Route 5; add northbound lane to freeway through Mossdale "Y", Route 205 to Route 120 in San Joaquin County. Seven million dollars (\$7,000,000). The lead applicant is the department or the San Joaquin Council of Governments.

(109) Route 132; build four miles of new four-lane expressway in Modesto from Dakota Avenue to Route 99 and improve Route 99 Interchange in Stanislaus County. Twelve million dollars (\$12,000,000). The lead applicant is the department or the Stanislaus Council of Governments.

(110) Route 132; build 3.5 miles of new four-lane expressway from Route 33 to the San Joaquin county line in Stanislaus and San Joaquin Counties. Two million dollars (\$2,000,000). The lead applicant is the department or the Stanislaus Council of Governments.

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(111) Route 198; build 10 miles of new four-lane expressway from Route 99 to Hanford in Kings and Tulare Counties. Fourteen million dollars (\$14,000,000). The lead applicant is the department or the Kings County Association of Governments.

- (112) Jersey Avenue; widen from 17th Street to 18th Street in Kings County. One million five hundred thousand dollars (\$1,500,000). The lead applicant is Kings County.
- (113) Route 46; widen to four lanes for 33 miles from Route 5 to San Luis Obispo County line in Kern County. Thirty million dollars (\$30,000,000). The lead applicant is the department or the Kern Council of Governments.
- (114) Route 65; add four passing lanes, intersection improvement, and conduct environmental studies for ultimate widening to four lanes from Route 99 in Bakersfield to Tulare County line in Kern County. Twelve million dollars (\$12,000,000). The lead applicant is the department or the Kern Council of Governments.
- (115) South Line Light Rail; extend South Line three miles towards Elk Grove, from Meadowview Road to Calvine Road in Sacramento County. Seventy million dollars (\$70,000,000). The lead applicant is the Sacramento Regional Transit District.
- (116) Route 80 Light Rail Corridor; double-track Route 80 light rail line for express service in Sacramento County. Twenty-five million dollars (\$25,000,000). The lead applicant is the Sacramento Regional Transit District.
- (117) Folsom Light Rail; extend light rail tracks from 7th Street and K Street to the Amtrak Depot in downtown Sacramento, and extend Folsom light rail from Mather Field Station to downtown Folsom. Add a new vehicle storage and maintenance facility in the area between the Sunrise Boulevard and Hazel Avenue Stations in Sacramento County. Twenty million dollars (\$20,000,000). The lead applicant is the Sacramento Regional Transit District.
- (118) Sacramento Emergency Clean Air/Transportation Plan (SECAT); incentive for the reduction of emissions from heavy-duty diesel engines operating within the Sacramento region. Fifty million dollars (\$50,000,000). The lead applicant is the Sacramento Area Council of Governments.
- 38 (119) Convert Sacramento Regional Transit bus fleet to low 39 emission and provide Yolo bus service by the Yolo County 40 Transportation District; acquire approximately 50 replacement

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low-emission buses for service in Sacramento and Yolo Counties.
 Nineteen million dollars (\$19,000,000). The lead applicants are
 the Sacramento Regional Transit District, the Sacramento Area

4 Council of Governments, and the Yolo Bus Authority.

(121) Metropolitan Bakersfield System Study; to reduce congestion in the City of Bakersfield. Three hundred fifty thousand dollars (\$350,000). The lead applicant is the Kern County Council of Governments.

- (122) Route 65; widening project from 7th Standard Road to Route 190 in Porterville. Three million five hundred thousand dollars (\$3,500,000). The lead applicant is the County of Tulare.
- (123) Oceanside Transit Center; parking structure. One million five hundred thousand dollars (\$1,500,000). The lead applicant is the City of Oceanside.
- (126) Route 50/Watt Avenue Interchange; widening of overcrossing and modifications to interchange. Seven million dollars (\$7,000,000). The lead applicant is the County of Sacramento.
- (127) Route 85/Route 87; interchange completion; addition of two direct connectors for southbound Route 85 to northbound Route 87 and southbound Route 87 to northbound Route 85. Three million five hundred thousand dollars (\$3,500,000). The lead applicant is the City of San Jose.
- (128) Airport Road; reconstruction and intersection improvement project. Three million dollars (\$3,000,000). The lead applicant is the County of Shasta.
- (129) Route 62; traffic and pedestrian safety and utility undergrounding project in right-of-way of Route 62. Three million two hundred thousand dollars (\$3,200,000). The lead applicant is the Town of Yucca Valley.
- (133) Feasibility studies for grade separation projects for Union Pacific Railroad at Elk Grove Boulevard and Bond Road. One hundred fifty thousand dollars (\$150,000). The lead applicant is the City of Elk Grove.
- 35 (134) Route 50/Sunrise Boulevard; interchange modifications.
 36 Three million dollars (\$3,000,000). The lead applicant is the
 37 County of Sacramento.
- 38 (135) Route 99/Sheldon Road; interchange project; 39 reconstruction and expansion. Three million dollars (\$3,000,000).
- 10 The lead applicant is the County of Sacramento.

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(138) Cross Valley Rail; upgrade track from Visalia to Huron.
 Four million dollars (\$4,000,000). The lead applicant is the Cross
 Valley Rail Corridor Joint Powers Authority.

- 4 (139) Balboa Park BART Station; phase I expansion. Six 5 million dollars (\$6,000,000). The lead applicant is the San 6 Francisco Bay Area Rapid Transit District.
 - (140) City of Goshen; overpass for Route 99. One million five hundred thousand dollars (\$1,500,000). The lead applicant is the department.
 - (141) Union City; pedestrian bridge over Union Pacific rail lines. Two million dollars (\$2,000,000). The lead applicant is the City of Union City.
 - (142) West Hollywood; repair, maintenance, and mitigation of Santa Monica Boulevard. Two million dollars (\$2,000,000). The lead applicant is the City of West Hollywood.
 - (144) Seismic retrofit of the national landmark Golden Gate Bridge. Five million dollars (\$5,000,000). The lead applicant is the Golden Gate Bridge, Highway and Transportation District.
 - (145) Construction of a new siding in Sun Valley between Sheldon Street and Sunland Boulevard. Six million five hundred thousand dollars (\$6,500,000). The lead applicant is the Southern California Regional Rail Authority.
 - (146) Construction of Palm Drive Interchange. Ten million dollars (\$10,000,000). The lead applicant is the Coachella Valley Association of Governments.
 - (148) Route 98; widening of 8 miles between Route 111 and Route 7 from 2 lanes to 4 lanes. Ten million dollars (\$10,000,000). The lead applicant is the department.
 - (149) Purchase of low-emission buses for express service on Route 17. Three million seven hundred fifty thousand dollars (\$3,750,000). The lead applicant is the Santa Cruz Metropolitan Transit District.
- (150) Renovation or rehabilitation of Santa Cruz Metro Center.
 One million dollars (\$1,000,000). The lead applicant is the Santa
 Cruz Metropolitan Transit District.
- 36 (151) Purchase of 5 alternative fuel buses for the Pasadena
- 37 Area Rapid Transit System. One million one hundred thousand
- 38 dollars (\$1,100,000). The lead applicant is the Pasadena Area
- 39 Rapid Transit System.

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(152) Pasadena Blue Line transit-oriented mixed-use development. One million five hundred thousand dollars (\$1,500,000). The lead applicant is the City of South Pasadena.

- (153) Pasadena Blue Line utility relocation. Five hundred fifty thousand dollars (\$550,000). The lead applicant is the City of South Pasadena.
- (154) Route 134/I-5 Interchange study. One hundred thousand dollars (\$100,000). The lead applicant is the department.
- (156) Seismic retrofit and core segment improvements for the Bay Area Rapid Transit system. Twenty million dollars (\$20,000,000). The lead applicant is the San Francisco Bay Area Rapid Transit District.
- (157) Route 12; Congestion relief improvements from Route 29 to I-80 through Jamison Canyon. Seven million dollars (\$7,000,000). The lead applicant is the department.
- (158) Remodel the intersection of Olympic Boulevard, Mateo Street, and Porter Street and install a new traffic signal. Two million dollars (\$2,000,000). The lead applicant is the City of Los Angeles.
- (159) Route 101; redesign and construction of Steele Lane Interchange. Six million dollars (\$6,000,000). The lead applicant is the department or the Sonoma County Transportation Authority.
- (b) As used in this section "route" is a state highway route as identified in Article 3 (commencing with Section 300) of Chapter 2 of Division 1 of the Streets and Highways Code.
- SEC. 2. Section 182.6 of the Streets and Highways Code is amended to read:
- 182.6. (a) Notwithstanding Sections 182 and 182.5, Sections 188, 188.8, and 825 do not apply to the expenditure of an amount of federal funds equal to the amount of federal funds apportioned to the state pursuant to that portion of subsection (b)(3) of Section 104, subsections (a) and (c) of Section 157, and subsection (d) of Section 160 of Title 23 of the United States Code that is allocated within the state subject to subsection (d)(3) of Section 133 of that code. These funds shall be known as the regional surface transportation program funds. The department, the transportation planning agencies, the county transportation commissions, and the metropolitan planning organizations may do all things necessary in their jurisdictions to secure and expend those federal funds in

accordance with the intent of federal law and this chapter.

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(b) The regional surface transportation program funds shall be apportioned by the department to the metropolitan planning organizations designated pursuant to Section 134 of Title 23 of the United States Code and, in areas where none has been designated, to the transportation planning agency designated pursuant to Section 29532 of the Government Code. The funds shall be apportioned in the manner and in accordance with the formula set forth in subsection (d)(3) of Section 133 of Title 23 of the United States Code, except that the apportionment shall be among all areas of the state. Funds apportioned under this subdivision shall remain available for three federal fiscal years, including the federal fiscal year apportioned.

(c) Where county transportation commissions have been created by Division 12 (commencing with Section 130000) of the Public Utilities Code, all regional surface transportation program funds shall be further apportioned by the metropolitan planning organization to the county transportation commission on the basis of relative population.

In the Monterey Bay region, all regional surface transportation program funds shall be further apportioned, on the basis of relative population, by the metropolitan planning organization to the regional transportation planning agencies designated under subdivision (b) of Section 29532 of the Government Code.

- (d) The applicable metropolitan planning organization, county transportation commission, or transportation planning agency shall annually apportion the regional surface transportation program funds for projects in each county, as follows:
- (1) An amount equal to the amount apportioned under the federal-aid urban program in federal fiscal year 1990–91 adjusted for population. The adjustment for population shall be based on the population determined in the 1990 federal census except that no county shall be apportioned less than 110 percent of the apportionment received in the 1990–91 fiscal year. These funds shall be apportioned for projects implemented by cities, counties, and other transportation agencies on a fair and equitable basis based upon an annually updated five-year average of allocations. Projects shall be nominated by cities, counties, transit operators, and other public transportation agencies through a process that directly involves local government representatives.

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(2) An amount not less than 110 percent of the amount that the county was apportioned under the federal-aid secondary program in federal fiscal year 1990–91, for use by that county.

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(e) The department shall notify each metropolitan planning organization, county transportation commission, and transportation planning agency receiving an apportionment under this section, as soon as possible each year, of the amount of obligation authority estimated to be available for program purposes.

The metropolitan planning organization and transportation planning agency, in cooperation with the department, congestion management agencies, cities, counties, and affected transit operators, shall select and program projects in conformance with federal law. The metropolitan planning organization and transportation planning agency shall submit its transportation improvement program prepared pursuant to Section 134 of Title 23 of the United States Code to the department for incorporation into the state transportation improvement program not later than August 1 of each even-numbered year beginning in 1994.

(f) Not later than July 1 of each year, the metropolitan planning organizations, and the regional transportation planning agencies, receiving obligational authority under this article shall notify the department of the projected amount of obligational authority that each entity intends to use during the remainder of the current federal fiscal year, including, but not limited to, a list of projects that will be obligated by the end of the current federal fiscal year. Any federal obligational authority that will not be used shall be redistributed by the department to other projects in a manner that ensures that the state will continue to compete for and receive increased obligational authority during the federal redistribution of obligational authority. If the department does not have sufficient federal apportionments to fully use excess obligational authority, the metropolitan planning organizations or regional transportation planning agencies relinquishing obligational authority shall make sufficient apportionments available to the department to fund alternate projects, when practical, within the geographical areas relinquishing the obligational authority. Notwithstanding this subdivision, the department shall comply with subsections (d)(3) and (f) of Section 133 of Title 23 of the United States Code.

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(g) A regional transportation planning agency that is not designated as, nor represented by, a metropolitan planning organization with an urbanized area population greater than 200,000 pursuant to the 1990 federal census may exchange its annual apportionment received pursuant to this section on a dollar-for-dollar basis for nonfederal State Highway Account funds, which shall be apportioned in accordance with subdivision (d).

- (h) (1) If a regional transportation planning agency described in subdivision (g) does not elect to exchange its annual apportionment, a county located within the boundaries of that regional transportation planning agency may elect to exchange its annual apportionment received pursuant to paragraph (2) of subdivision (d) for nonfederal State Highway Account funds.
- (2) A county not included in a regional transportation planning agency described in subdivision (g), whose apportionment pursuant to paragraph (2) of subdivision (d) was less than 1 percent of the total amount apportioned to all counties in the state, may exchange its apportionment for nonfederal State Highway Account funds. If the apportionment to the county was more than $3^{1}/_{2}$ percent of the total apportioned to all counties in the state, it may exchange that portion of its apportionment in excess of $3^{1}/_{2}$ percent for nonfederal State Highway Account funds. Exchange funds received by a county pursuant to this section may be used for any transportation purpose.
- (i) The department shall be responsible for closely monitoring the use of federal transportation funds, including regional surface transportation program funds to assure full and timely use. The department shall prepare a quarterly report for submission to the commission regarding the progress in use of all federal transportation funds. The department shall notify the commission and the appropriate implementation agency whenever there is a failure to use federal funds within the three-year apportionment period established under subdivision (b).
- (j) The department shall provide written notice to implementing agencies when there is one year remaining within the three-year apportionment period established under subdivision (b) of this section.
- (k) Within six months of the date of notification required under subdivision (j), the implementing agency shall provide to the

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department a plan to obligate funds that includes, but need not be limited to, a list of projects and milestones.

- (*l*) If the implementing agency has not met the milestones established in the implementation plan required under subdivision (k), prior to the end of the three-year apportionment period established under subdivision (b), the commission shall redirect those funds for use on other transportation projects in the state.
- (m) Notwithstanding subdivisions (g) and (h), regional surface transportation program funds available under this section exchanged pursuant to Section 182.8 may be loaned to and expended by the department. The department shall repay from the State Highway Account to the Traffic Congestion Relief Fund all funds received as federal reimbursements for funds exchanged under Section 182.8 as they are received from the Federal Highway Administration, except that those repayments are not required to be made more frequently than on a quarterly basis.
- SEC. 3. Section 182.7 of the Streets and Highways Code is amended to read:
- 182.7. (a) Notwithstanding Sections 182 and 182.5, Sections 188, 188.8, and 825 do not apply to the expenditure of an amount of federal funds equal to the amount of federal funds apportioned to the state pursuant to subsection (b)(2) of Section 104 of Title 23 of the United States Code. These funds shall be known as the congestion mitigation and air quality program funds and shall be expended in accordance with Section 19 of Title 3 of the United States Code. The department, the transportation planning agencies, and the metropolitan planning organizations may do all things necessary in their jurisdictions to secure and expend those federal funds in accordance with the intent of federal law and this chapter.
- (b) The congestion mitigation and air quality program funds, including any funds to which subsection (c) of Section 110 of Title 23 of the United States Code, as added by subdivision (a) of Section 1310 of Public Law 105-178, applies, shall be apportioned by the department to the metropolitan planning organizations designated pursuant to Section 134 of Title 23 of the United States Code and, in areas where none has been designated, to the transportation planning agency established by Section 29532 of the Government Code. The funds shall be apportioned to metropolitan planning organizations and transportation planning

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agencies responsible for air quality conformity determinations in federally designated air quality nonattainment and maintenance areas within the state in the manner and in accordance with the formula set forth in subsection (b)(2) of Section 104 of Title 23 of the United States Code. Funds apportioned under this subdivision shall remain available for three federal fiscal years, including the federal fiscal year apportioned.

(c) Notwithstanding subdivision (b), where county transportation commissions have been created by Division 12 (commencing with Section 130000) of the Public Utilities Code, all congestion mitigation and air quality program funds shall be further apportioned by the metropolitan planning organization to the county transportation commission on the basis of relative population within the federally designated air quality nonattainment and maintenance areas after first apportioning to the nonattainment and maintenance areas in the manner and in accordance with the formula set forth in subsection (b)(2) of Section 104 of Title 23 of the United States Code.

In the Monterey Bay region, all congestion mitigation and air quality improvement program funds shall be further apportioned, on the basis of relative population, by the metropolitan planning organization to the regional transportation planning agencies designated under subdivision (b) of Section 29532 of the Government Code.

(d) The department shall notify each metropolitan planning organization, transportation planning agency, and county transportation commission receiving an apportionment under this section, as soon as possible each year, of the amount of obligational authority estimated to be available for expenditure from the federal apportionment. The metropolitan planning organizations, transportation planning agencies, and county transportation commissions, in cooperation with the department, congestion management agencies, cities and counties, and affected transit operators, shall select and program projects in conformance with federal law. Each metropolitan planning organization and transportation planning agency shall, not later than August 1 of each even-numbered year beginning in 1994, submit its transportation improvement program prepared pursuant to Section 134 of Title 23 of the United States Code to the department for incorporation into the state transportation improvement program.

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(e) Not later than July 1 of each year, the metropolitan planning organizations and the regional transportation planning agencies receiving obligational authority under this section, shall notify the department of the projected amount of obligational authority that each entity intends to use during the remainder of the current federal fiscal year, including, but not limited to, a list of projects that will use the obligational authority. Any federal obligational authority that will not be used shall be redistributed by the department to other projects in a manner that ensures that the state will continue to compete for and receive increased obligational authority during the federal redistribution of obligational authority. If the department does not have sufficient federal apportionments to fully use excess obligational authority, the metropolitan planning organization or transportation planning agency relinquishing obligational authority shall make sufficient apportionments available to the department to fund alternate projects, when practical, within the geographical areas relinquishing the obligational authority. Notwithstanding this subdivision, the department shall comply with subsection (f) of Section 133 of Title 23 of the United States Code.

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- (f) The department shall be responsible for closely monitoring the use of federal transportation funds, including congestion management and air quality funds to assure full and timely use. The department shall prepare a quarterly report for submission to the commission regarding the progress in use of all federal transportation funds. The department shall notify the commission and the appropriate implementation agency whenever there is a failure to use federal funds within the three-year apportionment period established under subdivision (b).
- (g) The department shall provide written notice to implementing agencies when there is one year remaining within the three-year apportionment period established under subdivision (b) of this section.
- (h) Within six months of the date of notification required under subdivision (g), the implementing agency shall provide to the department a plan to obligate funds that includes, but need not be limited to, a list of projects and milestones.
- (i) If the implementing agency has not met the milestones established in the implementation plan required under subdivision (h) above, prior to the end of the three-year apportionment period

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established under subdivision (b), the commission shall redirect those funds for use on other transportation projects in the state.

- (j) Congestion mitigation and air quality program funds available under this section exchanged pursuant to Section 182.8 may be loaned to and expended by the department. The department shall repay from the State Highway Account to the Traffic Congestion Relief Fund all funds received as federal reimbursements for funds exchanged under Section 182.8 as they are received from the Federal Highway Administration, except that those repayments are not required to be made more frequently than on a quarterly basis.
- SEC. 4. Section 182.8 of the Streets and Highways Code is amended to read:
- 182.8. (a) It is the intent of the Legislature that this program help increase flexibility in the use of state and federal funding to complete transportation improvements. The ability to exchange certain federal funds for state funds may enhance that flexibility. However, it is the intent of the Legislature that the commission make these exchanges only if the exchanges do not compromise other state funded projects or activities.
- (b) The commission shall propose guidelines and procedures to implement this section, hold a public hearing on the guidelines, and adopt the guidelines on or before February 1, 2001. The commission shall begin the exchange program on or before February 1, 2001, if it determines that funding is available for that purpose. The commission may amend its guidelines after holding a public hearing, but may not amend the guidelines between the time it notifies regional transportation planning agencies of the amount of state funds available for exchange and its approval of projects for exchange in any given year.
- (c) On or before January 5 of each year, the department shall report to the commission the amounts apportioned as federal local assistance in the regional surface transportation and congestion mitigation and air quality programs for the year, the Federal Obligation Authority for the year, and the amount of federal funds it expects to be able to obligate for work on projects in all programs on or before September 30 of that year, and the commission, in cooperation with the department, shall determine the amount of state funds from the Traffic Congestion Relief Fund that can be made available for exchange under this section. If the release of

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federal apportionments and obligational authority is delayed beyond November 1 in any year, all the dates specified in this section shall be extended by an equivalent time, however, all federal funds exchanged shall be obligated on or before September 30 of the current federal fiscal year.

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- (d) The commission may exchange funds under this section if it determines all of the following:
- (1) Adequate state funds are available to accomplish the exchange without putting at risk other transportation activities or projects needing state funds.
- (2) Any exchange will be consistent with full implementation of the Traffic Congestion Relief Act of 2000.
- (3) Federal funds received in exchange can be readily and effectively used on other projects or activities by the state during the federal fiscal year.
- (e) After making the determinations set forth in subdivision (d) the commission may offer to exchange state funds from the Traffic Congestion Relief Fund for federal local assistance funds, subject to the limits imposed under this section. For the purpose of this section, "federal local assistance" funds means regional surface transportation program or congestion mitigation and air quality program apportionments received that federal fiscal year and apportioned as local assistance pursuant to Sections 182.6 and 182.7.
- (f) Not later than February 1 of each year, the commission shall notify the regional transportation planning agencies of the amount of state funds available for exchange for federal local assistance funds for that year. The maximum amount of state funds to be exchanged may not exceed 50 percent of the total amount of federal regional surface transportation program and congestion mitigation and air quality program funds apportioned for the current fiscal year as local assistance pursuant to subdivision (b) of Section 182.6 and subdivision (b) of Section 182.7, exclusive of state funds that may be exchanged pursuant to subdivision (g) of Section 182.6, paragraphs (1) and (2) of subdivision (h) of Section 182.6, or Section 182.7. Federal funds exchanged under this program shall be available for projects identified by the commission as ready to obligate during determination of the amount available for exchange. The amount of exchange may not exceed the department's ability to obligate all federal funds during

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the current federal fiscal year. The commission may not exchange state funds for regional surface transportation program funds required to be spent for transportation enhancements. This section does not affect the amount of exchange under subdivision (g) of Sections 182.6, or paragraphs (1) and (2) of subdivision (h) of Section 182.6.

- (g) Regional transportation planning agencies may submit applications for exchange of funds to the commission not later than March 15 of each year. Applications shall identify the proposed use for the exchange funds, including project descriptions, cost estimates, scopes of work, schedules for construction, schedules for expenditures, and any other information required by the commission. The commission may require a region to identify priorities among applications it submits.
- (h) If the commission receives applications for more exchange funds than the amount of state funds available, the commission shall select projects for exchange up to the amount of state funds available. The commission shall explain the criteria it uses to select projects, which shall include, but are not limited to, all of the following:
 - (1) Removal of all federal funds from projects.
- (2) Assessment of projects that would benefit most from removal of federal funding because of size, type, location, agency capability, features, or federal requirements.
- (3) Approximate relative equity within the program among regions in receiving state exchange funds over a multiyear period.
- (i) The commission may exchange state funds for federal local assistance funds with agencies requesting exchanges. Agencies wishing to exchange their federal funds shall provide apportionments and obligation authority at the same rate the Federal Highway Administration distributes obligation authority. Agencies exchanging federal funds shall receive funds equal to 90 percent of the obligation authority exchanged. The commission shall approve exchanges of funds not later than its second regularly scheduled meeting following March 15 each year.
- (j) The commission shall determine an exchange payment schedule based on expenditure plans. The commission may suspend exchange payment schedules if it determines projects are not proceeding.

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(k) For financial display and reporting purposes, obligational authority received pursuant to this section shall be reported as a revenue accrual in the Traffic Congestion Relief Fund in the year in which the exchange is approved under subdivision (i). Funds approved for exchange shall be accrued as expenditures in the year in which the exchange is approved. Notwithstanding Section 16362 of the Government Code, the department shall repay, on a quarterly basis, at most, from the State Highway Account to the Traffic Congestion Relief Fund all funds received as federal reimbursements for funds exchanged under this section as they are received from the Federal Highway Administration, except that those repayments are not required to be made more frequently than on a quarterly basis.

- (*l*) State funds provided through an exchange under this section shall be encumbered within one year and expended within three years.
- (m) Upon adoption of its implementing guidelines, the commission may consider requests for exchanges under this section.
- (n) Regional and local agencies shall use state exchange funds only for projects or purposes for which the federal local assistance funds being exchanged were originally intended, and may not supplant local funds on projects in order that those local funds can subsequently be used for nontransportation purposes. The commission may require agencies to certify that they are meeting this requirement. Agencies not meeting this maintenance of effort requirement may not be allowed to participate in the next exchange cycle.
- (o) The commission shall include a summary of exchanges made pursuant to this section in its annual report to the Governor and Legislature pursuant to Section 14556.36, including an assessment of progress in implementing projects funded by exchanges, and discussion of issues and recommendations related to implementation of the exchange program.
- (p) Not later than the effective date of the reauthorization of the federal surface transportation act, the commission shall submit a report to the Governor and the Legislature recommending any changes in the exchange program necessitated by that reauthorization.

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SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to implement changes relating to funding of important transportation improvements as quickly as possible and to avoid delays in implementing transportation improvements, it is necessary that this act take effect immediately.